

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
June 20, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN
EXEMPT FACILITY PROJECT

Prepared by: Richard Fischer

Applicant: California Pollution Control Financing Authority

Allocation Amount Requested: \$5,615,000

Project Information:

Name: Metropolitan Recycling, LLC
2601 South Mt. Vernon; 1808 Roberts Lane; 1700 Lisle Street;
Project Address: 8665 S. Union Avenue; 9930 Brimball Road; 2620 S. Union
Avenue; 4033 Oregon Street
Project City, County, Zip Code: Bakersfield, Kern 93302;06;07;08;12

Project Sponsor Information:

Name: Metropolitan Recycling, LLC
Address: 2601 South Mt. Vernon
Bakersfield, CA 93302
Principals: Skeet Varner Family Trust, Skeet Varner Marital Trust,
Michael Varner Trust, Jaime Andrews Trust, Jacob Panero
Trust, Amy Feldman Trust and Lisa Mann Trust; Walt Price,
Wanda England, Jay Price, Jon Price; Jack D. Keown and Mary
Ann Keown Amended and Restated Trust Agreement; Vint D.
Varner; Stephen S. Sewell and Nancy A. Sewell
Contact: Larry Moxley, Chief Executive Officer
Phone: (661) 979-5790

Project Financing Information:

Bond Counsel: Law Offices of Leslie M. Lava
Underwriter: Not Applicable
Credit Enhancement Provider: Wells Fargo Bank, N.A.
Bond Rating: Not applicable
TEFRA Hearing Date & Adoption Date: May 10, 2018

Project Sponsor's Principal Activity:

According to the Applicant, they are actively participating in waste collection, recycling and disposal throughout Bakersfield, California.

First Tier Business (Yes/No): Yes

Regulatory Mandate (Yes/No): Yes

Comments :

Details of Transaction:

Sources of Funds:

Tax-Exempt Bond Proceeds	\$	5,615,000
Refunding Note Proceeds	\$	9,000,000
Other Sources	\$	195,240
Total Sources	\$	14,810,240

Uses of Funds:

New Equipment Purchase & Installation	\$	5,502,700
Bond Issuance Expenses (including discount)	\$	307,540
Refunding Note Amount	\$	9,000,000
Total Uses	\$	14,810,240

Description of Proposed Project:

The Project Sponsor and its Members have indicated that the funds will be used for the acquisition of trucks and other equipment housed at their respective locations.

Environmental Impact:

- 1) Air Quality:
Continued Compressed Natural Gas (CNG) fueled waste collection equipment purchases.
- 2) Water Quality:
Equipment purchase will contribute to the minimization of particulate matter.
- 3) Energy Efficiency:
The purchasing of CNG equipment reduces the dependency upon gas and diesel.
- 4) Recycling of Commodities:
None indicated.
- 5) Safety and Compliance:
Metropolitan Recycling, LLC is and will continue to be in compliance with all state and federal regulations.
- 6) Consumer Costs Savings and Efficiencies:
The Project Sponsor states that by purchasing equipment that burns cleaner and cheaper fuel which minimizes any future rate increases.

Local Government Support:

Metropolitan Recycling has received a letter of support from the Assistant Director of Kern County Public Works Department.

Legal Questionnaire:

No information was disclosed that raised any question regarding the financial viability or legal integrity of the Project Sponsor.

Recommendation:

Staff recommends that the Committee approve \$5,615,000 in tax exempt bond allocation.